

07



Report of Operations

GOAL 1:

TO INCREASE OUR RELEVANCE TO ALL AUSTRALIANS

How will we know we have succeeded?

SBS program divisions – Television, Radio and New Media – will report to the Board on annual targets for agreed benchmarks including audience growth, diversity and engagement. The overall measure of success will be a combination of these and they will be measured across the schedule in each program area, rather than by individual programs.

1.1

OBJECTIVE:

Increase audience size

MEASUREMENT:

Overall audience growth

The average weekly reach for SBS Television increased in five mainland capital cities – Sydney, Melbourne, Brisbane, Perth and Adelaide – and in regional areas in 2005. In the five capital cities, SBS Television was watched by 5.44 million people on average each week (up from 4.93 million people in 2004) and 2.71 million people in regional areas (up from 2.3 million people in 2004).

SBS Television's audience share in the five capital cities between 6pm and midnight was 6.4%, the highest annual share result for SBS (up from 5.1% in 2004). The 2005 Ashes Test series and the World Cup Qualifier match between Australia and Uruguay contributed significantly to this record audience share.

SBS's 2005 Ashes coverage provided record audiences for SBS. Across the five tests, the Ashes achieved a cumulative reach of 8.5 million viewers in five capital cities and approximately 3.5 million in regional areas. The final test provided SBS with an all time record prime time share of 21% on the final day of play.

In November 2005, SBS achieved its best ever audience with the Australia vs Uruguay World Cup Qualifier (in Sydney), which averaged 2.5 million viewers with a peak of 3.4 million.

News and Current Affairs programs delivered increased audience growth in 2005-06. In comparison to the previous year, Dateline viewers increased 23% and Insight's audience rose 30%.

During the year, SBS Radio completed its fourth round of re-surveys of three of the major language communities in Australia – Italian, Greek and Arabic – which together make up approximately 30% of the 2.7 million Australians who live in homes in SBS's transmission areas and who speak a language other than English.

In the past 10 years, SBS Radio has commissioned more than 70 separate surveys in 41 languages involving more than 30,000 telephone interviews. The results, extrapolated across Australia, suggest that each week SBS Radio programs are heard by more than 800,000 listeners. Phone calls, emails, letters and faxes also provide valuable feedback to program producers.

SBS Online reached its highest-ever audience in June 2006, serving 15.8 million page impressions and 1.04 million unique users during The World Game's coverage of the 2006 FIFA World Cup.

The average number of SBS web page impressions was 6.57 million per month, while the average number of unique browsers was 505,700 per month.

Every year, from 2002 to 2006, SBS Online's audience has grown by an average 31%.

1.2

OBJECTIVE:

Increase diversity of our audience

MEASUREMENT:

Audience growth in identified demographics

Based on the five capital cities sample, SBS increased its reach across all demographics. Audience growth was highest among women, with average weekly reach for Women 18+ rising 10%, from 2.04 million in 2004 to 2.27 million in 2005.

Among women, the most popular programs included the documentary series **RAN (Remote Area Nurse)**, **Going Bush** and **Extraordinary People**.

The drama series **RAN (Remote Area Nurse)** had a strong female profile, with women accounting for over 55% of viewing. **RAN** made an impressive debut on SBS, delivering some of the highest ratings for the Thursday 8.30pm time slot for 2005-06. It was a similar story for the documentary series, **Going Bush** which delivered strong growth in the number of women watching the Wednesday 7.30pm slot. Its first episode attracted the highest-ever ratings for 'Inside Australia.' Overall, women made up 55% of the average audience.

Other programs which drew increased numbers of younger and female viewers included **Insight**, with its diverse range of human interest subjects, **Nerds FC**, which followed the evolution of a novice football team, and the Saturday night magazine program, **Here Comes the Neighbourhood**. Monday night was further established as a night for younger audiences with the highly successful **Mythbusters**, alternating with **Top Gear** in the 7.30pm slot, a variety of daring comedies and animations from 8.30pm to 9.30pm and edgy dramas at 10pm.

SBS's broadcast of the **2005 Ashes** test cricket series drew large audiences, including those Australians with cultural ties to the world's cricket-playing nations, and provided the opportunity for SBS to promote its program schedule to a much wider audience.

The Socceroos win in the **World Cup Qualifier** between Australia and Uruguay (November 2005) delivered a record-breaking audience for SBS and guaranteed football's highest profile ever when SBS launched its **World Cup** coverage in June 2006. By the end of the month, football had provided some of SBS's biggest-ever top rating programs.

For the first time, all 21 stages of the **Tour de France** were broadcast live and captured an average 13.3% share of the free-to-air audience. A total of 3.98 million people tuned into SBS's coverage and the event attracted a greater number of younger viewers than previous competitions.

In 2005-06, 46% of broadcasts on SBS's principal channel were in Languages other than English (LOTE), compared with 48% in English. It should be noted that for five weeks in the second half of 2005, and for three weeks in June 2006, much of SBS's normal schedule was replaced by coverage of the **Ashes** cricket series and the **World Cup** respectively, all of which was in English. In 2005-06, an additional 4,330 hours of news programs in LOTE were broadcast on the digital SBS World News Channel. Across both channels, LOTE programming represented 72% of all broadcast output.

SBS Radio broadcasts 255 hours of individual programs each week over its five frequencies. A further 21 hours are aimed at younger people and are mainly in English. Many programs in languages other than English have youth teams making programs for younger audiences in their language.

SBS Radio's late night youth program, Alchemy, delivered revamped talk and music programming on-air, online and across other platforms. It expanded its network of young contributors from around the country in order to offer more comprehensive coverage of youth issues. Feedback via SMS, email, phone calls, letters and faxes increased substantially.

The proportion of female listeners to SBS Radio varies from language to language, from a high of 54% in Dutch to 44% in Urdu. This generally reflects the demographics of the individual language communities in Australia.

The most recent audience surveys of the six largest listening communities show increases for five of the groups (ranging from 49% to 61%). Only Arabic listeners declined slightly to 38%.

SBS Online's audience is significantly younger than the Television and Radio audiences, as revealed in a 2005 audience survey. While many SBS Television programs attract audiences over 40 years old, 74% of users of the corresponding program websites are under 40. The World Game's World Cup coverage attracted more than one million users to SBS Online, almost double the normal audience size.

1.3

OBJECTIVE:

Increase audience engagement

MEASUREMENT:

Increased interaction with our audiences; links and interactions with different parts of the Australian community through public activities; and audience and community feedback

In June 2006, SBS commissioned its most recent Newspoll survey of SBS's role and perceived value. Since the previous nationwide survey, in July 2004, opinion of SBS has remained stable on key measures, with results showing an extremely high appreciation of SBS.

- ⊕ 91% agree that SBS has types of programs you would not see on the other TV stations;
- ⊕ 86% agree that SBS (Television, Radio and Online) plays an important role in today's culturally diverse society*;
- ⊕ 79% of people find value in SBS (Television, Radio and Online)*;
- ⊕ 89% of people believe it is important that SBS be available to provide an alternative to the commercial TV stations;
- ⊕ 79% believe it is important that SBS be available to provide an alternative to ABC Television; and
- ⊕ 73% agree that SBS has better coverage of overseas news than other TV stations.

**Whereas previous Newspoll surveys referred to SBS Television only, in 2006 respondents were asked about SBS overall i.e. Television, Radio and Online.*

All news and current affairs programs have feedback forums on the SBS website which are actively used by SBS audiences. *Insight* also has a two-hour forum discussion after each program. A special *World News Australia* forum on the Cronulla Beach riots was held in December 2005.

SBS Online engages its audience in post-program live chats, forums, message boards, user-generated content platforms, polls, games and email newsletters. SBS received 1.3 million user responses.

In 2005-06, SBS Online hosted 53 live discussions, including *Insight* audience forums, and chats with filmmakers and subject debates about documentaries shown on 'Storyline Australia' and 'Inside Australia'. Email newsletters are maintained for *The World Game*, *World News Australia*, *Dateline*, *Insight*, and a number of Radio language programs. There are more than 25,000 subscribers to these services.

During the year, SBS Radio staged 98 outside broadcasts and other promotional events in and around Sydney and Melbourne as well as trips to Brisbane and Perth. Of special interest this year was an outside broadcast from Cronulla, shortly after the December riots, and big screen telecasts in Sydney and Melbourne of the World Cup which drew thousands of football fans.

In October 2005, a radiothon to support Anti-Poverty Week and Children's Week raised \$425,000 when 28 language programs joined forces to raise money for disadvantaged children in Australia and overseas. Since 1997, SBS Radio-sponsored radiothons have raised almost \$7 million for humanitarian and community-based causes.

Throughout the year, SBS's Community Relations Executive maintained the Corporation's strong relationship with key stakeholders, including Australia's ethnic and cultural communities. Meetings were held with leaders and officials from community organisations, government bodies both State and Federal, youth and women's organisations, as well as industry and other stakeholder groups. In particular, strong links were maintained with national peak bodies, the Federation of Ethnic Communities' Councils of Australia (FECCA), the Council for Multicultural Australia and the Australian Multicultural Foundation.

SBS, in partnership with FECCA, sponsored a Student Journalism Award aimed at promoting cultural pluralism, humanism and social justice among young journalists. The initiative encourages excellence and fairness in reporting and investigation of issues relating to cultural diversity, both domestically and internationally. The winner received a six weeks' traineeship at SBS, a \$1,000 prize, and publication of their feature in FECCA's quarterly magazine.

SBS was also a founding partner in the Journalism in Multicultural Australia Project which began in August 2005 and includes the Commonwealth Department of Immigration and Multicultural Affairs and a number of key universities and media organisations across Australia. The aim is to develop and pilot a set of academic curricula and professional development resources for current and future journalists that will inform the reporting of multicultural issues and events in Australia.

The SBS Community Advisory Committee met three times during the year to discuss issues of relevance to SBS and provide community perspectives and feedback on a range of SBS programs and operations. In August 2005, regional focus groups were conducted in Wangaratta and Shepparton in Victoria. A diverse range of participants provided valuable qualitative feedback on SBS services as well as attitudes and opinions about SBS and the media generally.

1.4

OBJECTIVE:

Create and deliver an increased range of distinctive Australian content

MEASUREMENT:

Increased local content in specifically targeted genres; distinctiveness measured against public broadcasting benchmarks

In 2005-06, SBSi (incorporating the former Local Production branch) commissioned 367.5 hours of programs in documentary, drama, features and entertainment series. This was a significant increase on hours of programming, either commissioned or in production, in 2004-05. A total of 478 hours of SBS-commissioned programs were broadcast during the year, up from 452 hours in 2004-05. Of these, 207 hours were first run.

Highlights included the six-part drama series *RAN* (*Remote Area Nurse*), the Indigenous drama series 'Dramatically Black' comprising *Plains Empty*, *The Djarn Djarns*, *Sa Black Thing* and *Green Bush*, and a season of short multi-award winning feature films, 'Australian Fresh Drama', which included the premiere of *Jammin in the Middle*, *E. Stranded*, *Jewboy*, *The Heartbreak Tour*, and *The Glenmore Job*.

The drama series, *The Circuit*, began production in Broome in June 2006 and the police drama series, *Major Crime* was commissioned for production.

December 2005 saw the premiere of the weekly multicultural documentary series, *Here Comes the Neighbourhood* which celebrates the country's cultural diversity through the suburban experiences of many communities.

Other programs with popular appeal, particularly among younger viewers, were *Speaking in Tongues*, *Rockwiz* (Series 2), *Under the Grandstand*, *Nerds FC*, *Going Bush*, *In Siberia Tonight*, *Heat in the Kitchen*, and *Submariners*. The series *Stock Squad* was especially popular in regional areas.

Five feature films were premiered on SBS Television in 2005-06. They were: *Walking on Water*, and *You Can't Stop the Murders* and the Indigenous films *Australian Rules*, *Beneath Clouds* and *The Tracker*, A feature film commissioned by SBSi, *Ten Canoes*, had its theatrical release in Australia in June 2006 after earlier winning the Special Jury Prize at the Cannes Film Festival.

The animated short film, *The Mysterious Geographic Explorations of Jasper Morello*, was nominated for both an Academy Award and a BAFTA, and won more than 10 awards worldwide.

In addition to the 13,000 hours of unique programming produced each year by SBS Radio, an increasing number of audio podcasts, as well as regularly updated features from the multicultural affairs program *World View*, are available via the Internet. SBS Radio news also produced 25,000 news stories and 1,200 features.

During the year, *News and Current Affairs* significantly increased its presence at major international news events. SBS journalists filed on-the-spot reports from the Middle East, Southeast Asia, the United States and Europe, providing an Australian perspective to SBS audiences.

In 2005-06, Digital Media commissioned a number of ground-breaking cross-platform projects designed to create original content for SBS Online, Television and Radio. *Straight Up* was a cross-platform project undertaken by Digital Media, the Pacific Film and Television Commission (PFTC) and Indigenous media production unit *Bush TV*. The project included an Indigenous Digital Media Internship, the production of an extensive media-rich website, and six mini-documentaries on life in the Torres Strait, all of which involved young Indigenous producers.

Swapping Lives was another cross-platform project involving Digital Media, documentary maker David Goldie, the Department of Immigration and Multicultural and Indigenous Affairs, and the South Australian Film Commission. It chronicled the lives of two young women, an Australian and an Indonesian, who swapped homes, families and lifestyles for several months.

Digital Media, in conjunction with the Tasmanian Electronic Commerce Centre's (TECC) Business Development Fund, launched *Freeload*, an online platform with film, animation, music, photography and text, designed for young Australian digital media producers to exhibit and discuss their work, and to present it to other broadcast arms of SBS.

The *Freeload* platform was also used for *Football Shorts*, a series of mini-documentaries designed for SBS Television interstitials as part of a creative alliance involving SBSi/Digital Media and the Australian Film, Television and Radio School (AFTRS).

1.5

OBJECTIVE:

Increase investment in Australian content

MEASUREMENT:

Additional amount invested in Australian content

In 2005-06, the budget for Australian television content commissioned through SBSi (including internal and outsourced productions) increased by \$901,000, eight per cent more than the previous year.

Each year, SBS Radio staff produce 13,000 hours of unique programming which is available over the five signal network and is streamed over the Internet. Podcasts of major features and interviews are available on individual language program websites. During the year, SBS Radio news increased its output, providing 25,000 breaking news stories and 1,200 features.

Digital Media invested \$155,000 in three cross-platform projects: **Strait Up**, **Freeload** and **Swapping Lives** which produced original content from young Australians skilled in multi-media production. SBS Digital Media supported all significant SBS Television and Radio productions on the web through the production of original design content and technical infrastructure.

SBS Commercial Affairs through its Video and SBS Content Sales unit developed a \$500,000 'Australian Content Fund' strategy to acquire video and international distribution rights for SBSi-funded programs. The strategy, which will continue in a self-funding capacity in future years, provided significant finance for locally generated ideas. In June 2006, eight projects that incorporated funding from Commercial Affairs were under consideration by the Film Finance Corporation.

1.6

OBJECTIVE:

Increase audience awareness about SBS content, services and brand

MEASUREMENT:

Evaluation of the effectiveness of promotional campaigns, including: number of campaigns (including cross promotional campaigns); and public awareness of our brand values

A major advertising campaign for the SBS brand was launched in July 2005. Outdoor media (poster, buses, taxi backs, big screens), newspapers, magazines, radio and the web featured SBS's News and Current Affairs programs (**World News Australia**, **Dateline**, **Insight**) and sports properties (**Tour de France** and **The Ashes**). The campaign clearly contributed to audience growth across the schedule. In addition, program-specific advertising campaigns supported key new programs **Speaking in Tongues**, **RAN** (Remote Area Nurse), **Going Bush**, **Nerds FC** and **Song for the Socceroos**. These programs were the subject of major parallel publicity and promotional campaigns, in addition to a range of other programming which was similarly supported.

The 2005 Ashes cricket series and the 2006 FIFA World Cup were the focus of major cross-promotional programming. During the **Ashes**, SBS Television broadcast a variety of cricket-related programming, including documentaries such as **Save Your Legs** and feature films, including **Lagann: Once Upon a Time in India**. The SBS-produced series, **Under the Grandstand**, which celebrated all aspects of the Ashes, was broadcast throughout the series. The range of football-related programming associated with the **World Cup** included overseas purchased feature films and documentaries and the SBSi-commissioned series **Nerds FC** and **Song for the Socceroos**, as well as the documentary special **Johnny Warren's Football Mission**.

SBS Radio commemorated its 30th anniversary with the publication of *Speaking My Language: Thirty Years of SBS Radio* which told the stories of 30 Australians of diverse backgrounds who had contributed to the rich cultural, social and economic life of this country. The book has been widely distributed to stakeholders, schools and libraries. SBS Radio also initiated or maintained partnerships with 15 overseas broadcasters which provided SBS with their national language broadcasts of the World Cup.

SBS Digital Media supported all significant SBS Television and Radio productions with media-rich websites and cross-platform content delivery solutions. During the **World Cup**, The World Game website was the second most trafficked television site in Australia, according to Hitwise comparative metrics. As a comprehensive news service and the most popular football site in Australia, The World Game promotes SBS football programming to more than 250,000 people each month. During the **World Cup** this rose to one million people.

SBS Commercial Affairs held several World Cup related events for advertisers, media buyers and other industry leaders. It also initiated three research projects to seek the views of media buyers, clients and audiences about SBS programming and the corporate brand.

1.7

OBJECTIVE:

Use the potential of digital technology innovation to increase the quality and quantity of SBS content available to Australian audiences, including through:

- 1.7.1 Increase the SBS services produced and available on different platforms – TV, Radio, Online and other New Media platforms
- 1.7.2 Increase our interactive services

MEASUREMENTS:

- 1.7 Growth in content produced for digital platforms
- 1.7.1 Growth in the amount of quality multichannelling content and enhancements
- 1.7.2 Growth in interactive services

1.7 In April 2006, SBS Radio established the Digital Content Development Unit (DCDU) with responsibilities to develop multiple programming channels. The aim is to develop new and innovative radio and multimedia content to be delivered, initially online, and subsequently for migration to digital radio services in 2009. The DCDU is also developing new digital production models for SBS Radio's 68 language programs. SBS Radio continued to be a partner in two concurrent digital radio trials – the Sydney tests, run by Commercial Radio Australia, and the Melbourne tests run by Broadcast Australia.

1.7.1 During 2005-06, SBS's digital channels were used to provide enhancements for several sporting events, in particular the 2006 **FIFA World Cup**. Viewers could see match highlights and statistics as well as data elements including weather for match venues, network promos, sports headlines and World Cup group tables and results. Enhancements were also provided for the **UEFA Champions League** and, subsequently, all Australian football matches, including statistical data and a highlights loop of the match being shown live.

A new weather service, 'earthTV' was introduced on the World News Channel and five major daily satellite feeds, previously supplied to Sydney by satellite, were moved to the SBS optical fibre from London. The number of updated bulletins was increased and the delivery of several bulletins was transferred to satellite, improving the bulletins' timeliness.

1.7.2 In December 2005, SBS became the first Australian broadcaster to provide a video podcast of one its programs. The series, **John Safran Speaking in Tongues**, was made available in December and January at the same time the program was broadcast. The weekly service ranked in the top three 'most popular podcasts' on the Australian Apple iTunes website.

SBS Digital Media created a major podcasting service for both SBS audio and video content, allowing all 68 radio language groups to publish their programs automatically to a podcast website and subscription feed. This has increased the reach of SBS Radio, enabling audiences to access all language programs across three separate platforms: radio broadcast, web-based audio on-demand and podcast subscription feeds for mobile MP3 audio players. The podcasting service generated an average 60,000 audio downloads each month, in addition to the 100,000 already being accessed on the SBS Radio website.

Other services included a weekly **Movie Show** video podcast featuring reviews and entertainment news, a web-exclusive weekly video round-up for the **Nerds FC** series and a **World Game** audio service providing expert analysis of World Cup games.

SBSi-commissioned programs with a significant web presence included the web-based program **Swapping Lives**, the first major co-production between SBSi and Digital media; **Marx and Venus**, for which scripts were solicited and received online; and cross-platform projects **Risking it All** and **Is Your House Killing You?**, both commissioned in 2005-06.

The 'Storyline Australia' and the 'Inside Australia' websites featured background information from directors and producers, web chats and voting polls for every episode. The forums proved particularly popular with viewers.

1.8

OBJECTIVE:

Extend the quality and reach of SBS transmission to all Australians as quickly as possible, including to:

1.8.1 Promote greater take up of self-help services

1.8.2 Improve signal quality

MEASUREMENTS:

1.8 Rollout of new transmission areas

1.8.1 Increased take-up of self-help services

1.8.2 Technical assessment of signal quality

1.8 During the year, an additional 37 new digital television services were established, bringing to 161 the number of SBS digital television services operating nationwide. Subject to the finalisation of plans, a further 47 services will be rolled out during 2006-07. A further 46 services are still to be considered.

Seventeen new analogue television services were commissioned during the year. The remaining four analogue sites are expected to be completed during 2006-07.

A new service for SBS Radio was launched in Wollongong, the first high-power SBS Radio service for 10 years. Wollongong is the first city, outside Melbourne and Sydney, to receive SBS Radio's full two-signal service. Another service is expected to be commissioned in Canberra during 2006-07.

1.8.1 An estimated 341 self-help television transmitters are owned and operated by local communities, most in remote regions of Australia. Of these, 47 received capital contributions from SBS's self-help program. More than 267 other locations have been granted funding for self-help transmitters under the government's Black Spots (poor reception) program.

SBS Radio self-help transmitters have been rolled out to five communities and a further 18 radio self-help transmitters have been approved and are expected to be rolled out during 2006-07.

SBS modified the self-help scheme in 2003 by increasing the subsidy for radio services to 100%, and for TV to 75%. Since then, an increasing number of local governments and communities have enquired about the scheme and SBS has attended local presentations in Queensland, Victoria and Western Australia. Two publications, *Self-Help Guide* and *Self-Help Subsidy Guidelines* are available on the SBS website.

1.8.2 SBS has been working closely with key partners, Optus, Telstra and Broadcast Australia, to improve the signal quality of its services. SBS and Broadcast Australia operations teams have streamlined information flows and this has improved the response times to service outages. A revamp of on-air anomaly reporting by SBS Broadcast Operations has significantly reduced the number of faults going to air. A similar reporting scheme is now in place for radio operations.

1.9

OBJECTIVE:

Increase our understanding of Australia's cultural diversity, our audiences and the role of SBS, including through:

- 1.9.1 Analysis of census and other demographic data together with audience research generated by each Division**
- 1.9.2 Follow up research to Living Diversity to track trends in multicultural Australia**
- 1.9.3 Review our audience complaints handling processes and implement recommendations for improvement.**
- 1.9.4 Increase the cultural diversity of SBS management and staff**

MEASUREMENTS:

- 1.9.1 Research generated**
- 1.9.2 Report to SBS Board by December 2005**
- 1.9.3 Recommendations implemented by December 2004**
- 1.9.4 Change in level of diversity of management**

1.9.1 To complement the traditional five capital cities ratings data, Television began receiving daily regional ratings reports in July 2005. The division also commissioned a Newspoll survey (the latest in a long-term study) to track public opinion about SBS services and perceptions about its role. The nationwide survey included quotas for both capital cities and non-capital city areas. The survey, commissioned in June 2006, asked respondents about SBS overall (Television, Radio and Online), in contrast to previous surveys which referred to SBS Television only. The results confirmed the positive results of recent years, with opinion of SBS remaining very high. (See details 1.3)

SBS Online receives regular qualitative feed back from its online audience through its live web chats, forums, guest books and message boards. Eighty per cent of all SBS websites have highly active opinion pages that provide feedback to SBS program makers.

SBS Radio completed its third round of re-surveys of the Italian, Greek and Arabic language communities which together constitute more than a quarter of the 2.7 million Australians who live in SBS Radio's transmission areas and speak a language other than English in the home. In addition to providing listener figures, the surveys also provide demographic profiles and data on how individuals engage with their language communities and with the media, both the English language media and media in their native language.

The Strategy and Communications division conducted four focus groups in regional Victoria – Shepparton and Wangaratta – in August 2006. Qualitative data on how participants perceived SBS, and the media generally, was collected. The findings were circulated to the SBS Board, the SBS Community Advisory Committee and management.

Further research was undertaken in relation to the 'SBS Impacts' research project (also known as 'SBS and Australian Democracy: Evolution, Uses and Innovation'). Now in its third and final year, the project is a collaborative effort involving SBS, the University of New South Wales and the University of Western Sydney, and is supported by the Australian Research Council. The project is examining the impact of SBS on cultural democracy and media in Australia.

1.9.2 With the publication in March 2006 of *Connecting Diversity: Paradoxes of Multicultural Australia*, SBS completed the second phase of research into issues of personal identity and attitudes to multiculturalism and the media. The first phase of this research culminated in the 2002 publication of *Living Diversity: Australia's Multicultural Future*. *Connecting Diversity* which focused on younger audiences and the way their engagement with media and other cultural influences shape their sense of belonging and engagement with Australian public life. Eighteen focus groups were conducted in nine locations across Australia, in Sydney, Brisbane and regional Western Australia. The report has been circulated to the SBS Board, the SBS Community Advisory Committee, stakeholders and all SBS staff members, and is available via the SBS website.

1.9.3 Given the smooth transition into the new formal complaints handling process, it was decided that a review of that process at the executive level would be considered in August 2006. The revised timeframe, 18 months after the new system was instituted, will provide sufficient data to facilitate productive findings. It is envisaged that the review will examine the new formal complaints system's implementation internally, within the Corporation, and externally, among SBS's audiences.

1.9.4 The SBS Diversity Program encourages diversity within the framework of merit selection. About half of SBS employees were born overseas and more than one quarter report that they speak a language other than English at home. The SBS Board reviews staffing diversity statistics annually.

GOAL 2

TO GROW THE RESOURCES AVAILABLE FOR SBS CONTENT AND SERVICES

How will we know we have succeeded?

SBS Divisions will set annual targets for revenue growth and report on them to the Board. Increased revenue will be reported in the Annual Report. Extra revenue will be invested in SBS content and services.

2.1

OBJECTIVE:

Increase commercial and other external revenue

MEASUREMENT:

Increased revenue

In 2005-06, SBS increased its external revenue by approximately 41%. External revenue represented 22% of the Corporation's revenue in 2005-06.

Excluding revenue from World Cup television advertising, SBS Commercial Affairs increased its revenue in 2005-06 by almost 29% over the previous year. If World Cup revenue is included, the total advertising revenue is almost 75% greater than in 2004-05. SBS provided exclusive coverage of the World Cup, but production costs and broadcast rights resulted in a net cost to the Corporation.

While television advertising accounted for 95% of total commercial revenue, all six departments of Commercial Affairs increased their net revenue, compared with the previous year.

2.2

OBJECTIVE:

Use industry partnerships to leverage SBS resources, including through innovative partnership models

MEASUREMENT:

Number of industry partnerships which deliver increased revenue or in-kind resources, and increase in SBS output (content and services) resulting from industry partnerships

SBS Independent maintained its funding and creative alliances with Federal and State film and television bodies, facilitating a diverse and productive range of program opportunities for independent Australian filmmakers. In 2005-06, SBSi established new partnerships with a number of overseas companies, distributors and broadcasters, including National Geographic Television (Super Flu: Race Against a Killer); Independent Television Service, US (First Australian Nations); and High Point, UK (Kick).

In 2005-06, SBSi commissioned 58 projects with the following agencies: Film Finance Corporation Australia; Australian Film Commission; Film Australia; Film Victoria; the NSW Film and Television Office; the Pacific Film and Television Corporation, Queensland; ScreenWest, Western Australian; and the South Australian Film Commission.

SBS Digital Media entered into a number of cross-platform partnerships with film, television and online funding bodies, including The Pacific Film and Television Commission, the Tasmanian Electronic Commerce Commission, the Australian Film and Television School and the South Australian Film Commission. These partnerships leveraged SBS's in-kind resources for cash investment in the training of young multi-media producers from a number of States and the production of interstitials, media-rich websites and cross platform digital content.

SBS Technology and Distribution continued to develop its innovative and productive partnership with Broadcast Australia, SBS's major transmission services provider. Under this arrangement, the streamlined rollout approvals process was updated during the year. For SBS, this has resulted in the better utilization of staff. The partnership with Broadcast Australia also resulted in the provision of a new SBS Radio transmission service in Wollongong at no cost to SBS. Broadcast Australia is finalising a second no-cost solution for a radio transmission service in Canberra, due to be commissioned in 2006-07.

These strategic partnerships have been extended with other leading-edge technology companies that are involved in the corporation's capital works projects. SBS has agreements in place which enable it to draw on the expertise of international technology companies beyond the basic purchaser/supplier relationship and to use this expertise in its own research and development.

SBS Commercial Affairs partnerships are focused on revenue-generating projects. In 2005-06, SBS and Sony BMG collaborated to develop a digital, downloadable catalogue of songs from all countries competing in the World Cup. Sony BMG worked with Apple to develop the technology and content mix, and SBS provided the cross-media promotional platform. Since 1999, SBS has enjoyed a strong partnership with Dymocks for the sale of SBS merchandise and, in 2005-06, established a similar partnership with JB Hi-Fi.

Other partnerships include: SBS Radio's participation in digital radio trials in Sydney, with Commercial Radio Australia, and in Melbourne with Broadcast Australia; and SBS Television's reciprocal partnerships with Australian and international broadcasters which allow both parties shared access to news footage.

2.3

OBJECTIVE:

Maintain and increase government funding support

MEASUREMENT: Increased funding

Base funding by the Government for SBS's ongoing activities increased to \$87.6m. This increase was the result of the application of the relevant cost increase index. Funding was also increased by a further \$7.7m to cover the costs of the digital television transmission rollout.

A "lapsing program" review was conducted into SBS by the Department of Finance and Administration and the Department of Communications, Information Technology and the Arts and the result was an extension of the triennial funding arrangement.

Although base funding was maintained, SBS was disappointed with the Triennial Funding outcome which resulted in SBS total funding being reduced by \$3m after adjusting for digital transmission and distribution funding.

SBS had identified funding needs in areas such as sports rights, SBS Independent, multichannelling, digital radio and marketing which totalled up to \$60m per annum by the close of the triennium. None of these needs was met. Consideration of the most significant requirement for multichannelling resources (\$25.6m p.a.) was postponed until the Government's digital plans are finalized.

2.4

OBJECTIVE:

Increase the proportion of total organisational resources devoted to content and services through: efficiencies in administration and production, internal partnerships and budget management

MEASUREMENTS:

Increased percentage of budget directed to content and services; industry benchmarks to be identified and reported against annually; and cost savings or other efficiencies generated by internal partnerships

SBS continued to pursue operational efficiencies and throughout the year monitored the amount of funds spent on administrative overheads. In 2005-06, the percentage of the total budget spent on these items (10.07%) continued to decline (11.09% in 2004-05, 13% in 2003-04 and 16% in 2000-01). SBS's average cost per hour of television – about \$22,000 – is by far the lowest of all the free-to-air networks. If the additional unique hours broadcast on our multichannels are included, the average cost per hour is even lower – about \$8,357. SBS's average cost per radio hour broadcast is \$2,783.

From July 2005, financial management for Television was re-modelled through the conversion of budgets from cash to accrual, with amortization of program content the key reform. In order to improve efficiencies, all facilities and personnel dedicated to the production of news and current affairs programs were incorporated into News and Current Affairs and, for the first time, content creation departments were charged for services provided by Television Operations.

News and Current Affairs began trials of the delivery of stories from overseas correspondents using a laptop computer and a satellite phone. The technology is speedy and cost-efficient for roving correspondents in remote localities.

SBS Radio reviewed its staffing procedures for the back-filling of staff due to absences and implemented a new system which resulted in significant cost savings, much of which was reinvested in programming for younger audiences.

SBS's Technology and Distribution division was restructured in April 2006 and merged with Television and Radio Operations. Several areas of duplication were eliminated and greater efficiencies achieved following some staff redundancies. During the year, the division successfully renegotiated the Corporation's Internet connection, resulting in a 20% annual cost saving, and signed a new three-year contract for SBS's laptop and PC inventory which resulted in a 7.5% cost saving.

2.5

OBJECTIVE:

Increase the use of our external relationships as assets for the benefit of the whole organisation

MEASUREMENT:

Financial, operational and public benefits realised

The SBS / Broadcast Australia partnership proved to be of great value during the year with the relationship extending across a number of industry and corporate issues. These included matters of digital take up by consumers, media reform and new broadcast platforms for mobile television and digital radio.

Of particular significance was Broadcast Australia's assistance in securing SBS Radio's new transmission service in Wollongong at no cost to SBS and its commitment to launch another radio transmission service in Canberra in 2006-07, again at no cost to SBS. The partnership has opened up other opportunities for joint research and development projects, including digital radio trials in Canberra, participation in Digital Video Broadcast/Handheld trials and Multimedia Home Platform co-development opportunities. Similarly, SBS's strategic partnerships with other leading-edge technology companies have helped improve the corporation's technology infrastructure.

In submissions to government, Federal and State, SBS responded to various government inquiries concerning broadcast and media issues. It also actively participated in a variety of industry and other forums which covered technical, production, creative and social issues. SBS continues to be actively involved in the Women in Television project which provides networking opportunities for women across the television industry.

SBS's Community Relations Executive maintained strong ties with key stakeholders, particularly the peak bodies of the nation's ethnic and cultural communities – the Federation of Ethnic Communities' Councils of Australia (FECCA), the Council for Multicultural Australia, and the Australian Multicultural Foundation. Under the SBS / FECCA Student Journalism Award, the successful candidate received a six weeks' traineeship at SBS.

On a number of fronts, SBS Radio extended its relationship with external bodies and the general public. It continued its relationship with Centrelink, providing program material for Centrelink's website, and supplied bulletins to the Easynews English learning project of the Adult Multicultural Education Services organisation in Victoria. Language programming was also provided to the Homereach service which caters to housebound people and their carers.

SBS Radio organised two public forums, one on 'Multiculturalism in a Time of Global Terrorism' at Parramatta and the other, in Melbourne, discussed the impact of sport on multiculturalism. It was also a sponsor of the annual awards of the Human Rights and Equal Opportunity Commission and Harmony Day.

GOAL 3

TO INCREASE OUR CAPACITY TO PERFORM AS AN AGILE AND CREATIVE ORGANISATION

How will we know we have succeeded?

We will achieve local and international industry benchmarks for organisational practice and audience and peer recognition of SBS's creative success.

3.1

OBJECTIVE:

Implement industry best practice for staffing practices appropriate to a flexible, creative, risk taking organisation

MEASUREMENTS:

Performance against industry benchmarks identified annually to the Board; external recognition of SBS creativity and innovation

The SBS Certified Agreement 2005 was certified in November 2005 and will remain in place for three years. The new Agreement reflects SBS's business needs and allows flexible employment practices. Radio and Television representatives were involved in the negotiations with the unions.

SBS has common employment conditions and human relations policies across the Corporation to ensure a consistent approach. The SBS Board reviews employment data regularly. The Performance Management Program (PMP) was amended in the new Certified Agreement, reflecting the experience of the previous three years. PMP outcomes are monitored and reports provided. The PMP has proved to be effective in bringing about improved performance.

Following Television's merger of SBS Local Production with SBS Independent, Television progressively outsourced in-house production (excluding news, current affairs and sport). This makes better use of Australia's creative resources and leads to greater film-making and story-telling diversity.

New software to improve the efficiency of subtitling from LOTE into English came on line in late 2005.

As well as providing live coverage of the 2006 FIFA World Cup to Australian audiences, the SBS World Cup coverage was broadcast to countries in the Pacific under an agreement with FIFA.

In 2005-06, SBS-produced or commissioned programs won 82 national and international awards, including 13 Australian Film Institute awards and seven IF awards. News and Current Affairs programs won a further 10 awards.

SBS Radio extended its range of training courses during the year, providing instructions on talkback radio, podcasting, outside broadcasts, complaints handling and use of the new Klotz audio mixing system. Following the Cronulla riots, broadcasters were able to attend a lecture on Islam by a community researcher.

SBS Digital Media won a number of awards for innovation, creativity and audience interaction. In February, the *Swapping Lives* website, which was supported by the Department of Immigration and Multicultural and Indigenous Affairs, won a prestigious Australian Interactive Multimedia Industry Association (AIMIA) award for 'Best Cultural and Lifestyle Website'.

Digital Media also received a silver Promax Award for 'Best Website Design' for the cross-platform My Space project, produced in conjunction with the South Australian Film Commission. The World Game website, the most popular soccer website in Australia, received the 2006 Hitwise Award for 'Best Soccer Site'.

3.2

OBJECTIVE:

Treat information and relationships of particular work areas as a corporate asset by improving internal communications and knowledge sharing

MEASUREMENT:

Number of new strategic initiatives across the organisation

The SBS Intranet contains division and corporate information, including submissions to Federal Government inquiries and other information requiring corporate-wide circulation and feedback. Other information is distributed via an all staff email from the office of the Managing Director and archived on the Intranet. All staff and several hundred stakeholders, including the SBS Community Advisory Committee and peak ethnic and community organisations, are regular recipients of an emailed newsletter, *SBS Review*. A comprehensive corporate site on the SBS website contains detailed corporate information, speeches, media releases, submissions to government and other information.

Following its restructure and expansion, SBS News and Current Affairs now incorporates the news operations of Television, Radio and Online. This allows for greater coordination of resources and personnel, and faster and easier transfer of audio and script material.

SBS Technology and Distribution has introduced a system of knowledge-sharing within its Television Engineering department. Technical Support Guidelines, or 'Tech Notes', are routinely shared among staff on rotation shifts to ensure continuity of operations. Technical and operations manuals are also written for major events such as the FIFA World Cup.

SBS Radio program makers worked in close partnership with their Television colleagues, especially during the World Cup, in order to coordinate and share coverage. Similar cooperation occurred with SBS Digital Media during the revamp of Radio's web pages. The Radio Resource Centres in Sydney and Melbourne continued to provide corporate-wide access to its audio, video and text resources.

The Strategy and Communications division circulated to all staff the findings of the research report, *Connecting Diversity: Paradoxes of Multicultural Australia* and provided follow-up workshops to discuss the findings and their possible application to SBS. The division also initiated an audience information sharing network to coordinate the use of audience information collected by SBS. This assists SBS in meeting its legislative and corporate obligations.

3.3

OBJECTIVE:

Enhance SBS's resilience by reviewing our business continuity plan and implementing an improved plan

MEASUREMENT:

Business Continuity Plan implemented and updated annually in response to identified risks

A comprehensive review of SBS's Business Continuity Plan was completed during the year. Refinements to the plan are being undertaken to ensure the best possible controls are in force, particularly in areas critical to business operations. Testing of the new plan will commence once the refinements are complete. The Risk Management Plan is regularly reviewed and reported on (most recently in April 2006). SBS risk management processes received an overall performance rating of 'Advanced' in the annual 'Comcover Risk management Benchmarking Survey'.